Motivating And Retaining Employees Successfully, In Any Business Climate
By Ronald P. Smyser

Client question: *"What can I do to improve employee motivation?"*

Answer:

Today, many executives believe that motivating employees is the most difficult task of managing a business - even more difficult than recruiting new employees or dealing with the ever-increasing hassles of burgeoning regulations and extensive legal constraints.

Whatever we might think, most employees want to be successful. However, too often an employee's desire to succeed is stymied by, for example, insufficient leadership guidance or communication, unnecessarily hostile internal environmental conditions, job assignment mismatches, or confusing job priorities.

Effective leadership can remedy these and other issues and, when coupled with the employee's initiative, can produce dramatic results.

What are the keys to successful employee motivation? Consider the following ten elements:

1. VISION

Develop, communicate, and live a concise, clear statement of your Vision. Your Vision statement provides clarity and direction of where the enterprise is going during your "watch".

The Vision statement is also the foundation for the business plan, helps create, clarify and implement key priorities and decisions throughout the enterprise, and focuses activities such that the work of each employee can be meaningful, timely and rewarding.

Ensure that each employee has a complete understanding of and commitment to the VISION.

2. VALUES

Define, communicate, demonstrate and live your operating Values. The Values determine the culture of the enterprise and how employees treat each other, your customers, your vendors, and your community.

Ensure that each employee has a complete understanding of and commitment to the operating Values.

3. PRIORITIES

Corporate Priorities derive from the Vision, Values, and the business plan. Almost nothing encourages motivation more than working on something that is important to the corporation.

Ensure that key corporate Priorities are well articulated, understood and committed to by each employee. Ensure, also, that the specific priorities of each employee continuously align with the corporate Priorities. Job descriptions can assist with this objective.

4. LEADERSHIP BY EXAMPLE

Leaders should continually demonstrate personal commitment to the Vision, Values, and Priorities. In your behavior and throughout the organization, seek out and eliminate all inconsistencies that indicate one thing by word and another by action.

5. FREQUENT, OPEN COMMUNICATIONS

Employees desire and deserve to know what is going on, whether the news is good or bad.

Essential information includes Vision, Mission, Values, Priorities, business planning elements, state of the business, key events, and accomplishments of individuals, teams, and the company.

Assume that there are no secrets within the enterprise and, accordingly, take the initiative to communicate openly and frequently. And, promote open, frequent communication.

6. MATCH JOB REQUIREMENTS TO INDIVIDUAL CAPABILITIES

Employees working to their full potential are usually well motivated. However, our experience is that more than 50% of employees are mismatched in, or are not trained for, their assignments.

Implement written, well planned, job descriptions at all employment levels, starting at the top.

Quantitatively evaluate and match each employee's capabilities to the job assignment. This can be facilitated best with the use of formal assessment tools and by personally taking the time to understand what motivates each employee.

Develop and train as needed to ensure that work is assigned to an individual's strengths and special talents, and that the individual's capability utilization is optimized.

7. INCENTIVES FOR EMPLOYEES - PARTNERS IN SUCCESS

Provide incentives for each employee and employee team with recognition and financial compensation tied directly to accomplishment, *as close as possible to the time of the accomplishment*. Motivators, in approximate order of impact with employees today, include:

- "Thank you" - clear and sincere recognition for a job well done. Do it often and in public. A sincere oral or written public "Thank you" is a valuable motivator—and *it costs nothing*.

- Money - share of profits or revenues, awarded frequently. Timing is more important than the amount of the money. Even small timely amounts of money work wonders!

- Opportunities for growth and expanding challenges matched to the desires and capabilities of each employee.

- Development and training for existing or new assignments.

- Paid time off.

- Well-executed, thoughtful incentives, not rewards.

- Low impact: Annual awards – bonuses or other awards; Share of equity

Note that annual awards and share of equity have low employee motivational or retention impact.

Annual awards, including bonuses, 401K plans or other such perks may be ego and financial boosters for management, but they are not effective long-term motivational incentives—and may rapidly become non-motivational entitlements.

Share of equity, also, may be an ego booster for management, but is not an effective motivator. Share of equity has significant downsides, is costly and risky, and should be avoided.

8. CAREER DEVELOPMENT AND ADVANCEMENT

Carefully define the advancement aspirations of each employee.

Provide and communicate clear, documented development paths and methodology to meet these aspirations.

Where advancement is crucial but openings are closed, consider restructuring to create opportunities for key employees.

9. ACCOUNTABILITY

Develop and implement key responsibilities and objectives based on corporate priorities. Document such responsibilities and objectives in job descriptions.

Frequently and formally measure progress, with feedback through appraisals designed to motivate, and to maintain sense of urgency, growth and accountability.

When an employee does something well, recognize him or her now—*in public*. When an employee does something wrong, inform him or her now and offer constructive corrective actions—*in private*.

10. TEAMWORK, NOT INTERNAL COMPETITION

Internal competitive activity wastes resources, clouds priorities, dilutes focus, and destroys morale.

Teamwork, on the other hand, magnifies the effectiveness of employees, with attendant benefit to the productivity of the company while increasing employee motivation and morale.

Develop corporate assignments, structures, and incentives that encourage teamwork.

Practicing these ten key elements of effective leadership can achieve impressive results in creating an environment for motivating and retaining employees in any business climate.

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Source: Spinnaker Leadership Associates, Inc.

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